Annual Report 01

YOUR NEW ENERGY INCOME TRUST . . . COMMITTED TO DELIVERING SUPERIOR RESULTS

A MODEL FOR VALUE AND GROWTH

ACCLAIM ENERGY TRUST

Corporate Profile

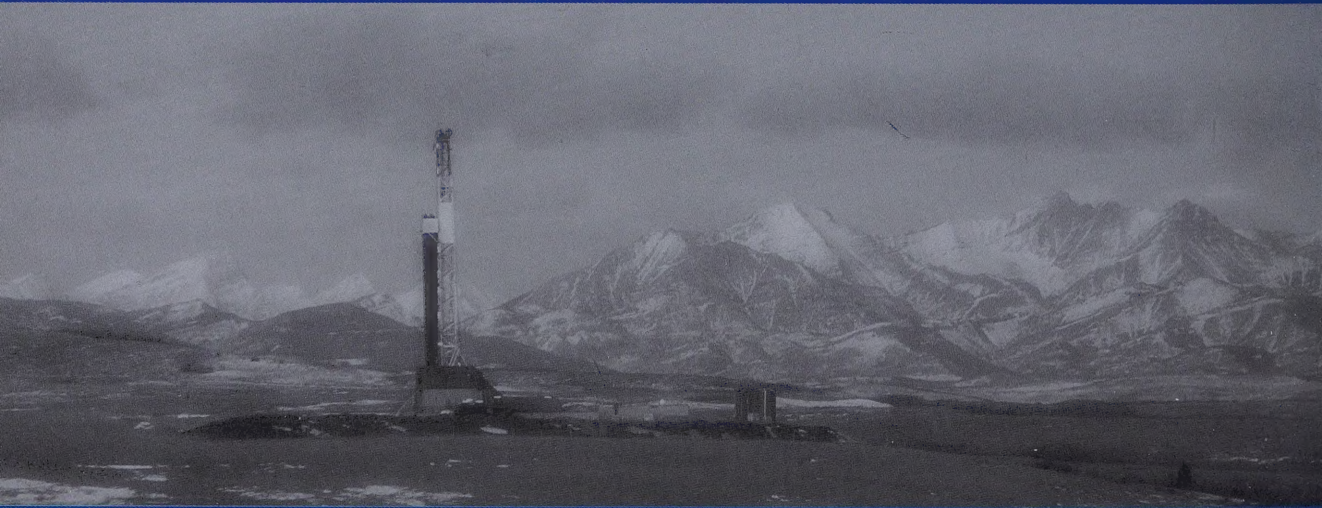
Acclaim Energy Trust's goal is to provide tax-effective distributions and deliver superior rates of return to its Unitholders. Acclaim is a Calgary based open-end income trust actively involved in the development and acquisition of oil and natural gas reserves in western Canada. Acclaim was created through the merger of Danoil Energy Ltd. with the Western Facilities Fund. Acclaim has a well-established record of production and cash flow growth. During the past ten years, production has increased each year rising from 133 boe/d in 1991 in a steady progression to an average of 6,355 boe/d in 2001. Since 1997, a new management team has guided the Company through five corporate acquisitions and initiated exploitation activities, drilling 232 gross wells (193 net) with a 93% success rate. Acclaim distributes its revenue on a tax-deferred basis. The Trust is managed by Acclaim Energy Management Inc. The Trust units trade under the symbol "AE.UN" on the Toronto Stock Exchange. As at March 20, 2002, the Trust had 32 million units outstanding.

Annual Meeting

The Annual General Meeting of the Unitholders will take place on May 14, 2002 at 3:00 p.m., in the Devonian Room, at the Calgary Petroleum Club, 319 – 5th Avenue S.W., Calgary. All Unitholders are invited to attend - those unable to do so, are requested to complete, sign and return the enclosed proxy form.

Vision

We remain committed to our goal of creating Unitholder value.



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Please note that any information predating April 20, 2001 relates to Danoil Energy Ltd.

Highlights

($ thousands except per unit amounts)	2001	2000	% Change
	Twelve Months Ended December 31		
FINANCIAL			
Revenue before royalties	$ 66,378	$ 60,753	9
Cash Flow	$ 32,621	$ 32,260	1
Per Share - basic	$ 1.33	$ 1.43	(7)
- diluted	$ 1.31	$ 1.36	(4)
Net Income	$ 15,943	$ 11,461	39
Per Share - basic	$ 0.65	$ 0.51	27
- diluted	$ 0.64	$ 0.48	33
Capital Expenditures - net	$ 12,840	$ 45,964	(72)
Total Net Debt	$ 31,290	$ 38,745	(19)
Market Capitalization	$ 89,608	$ 75,635	18
Total Capitalization	$120,898	$114,380	6
Unitholders Equity	$ 59,064	$ 36,961	60
Outstanding Units (000s)			
basic	27,154	22,246	22
diluted	27,960	26,052	7
OPERATIONS			
Daily Production			
Oil (b/d)	4,030	3,262	23
Gas (mcf/d)	13,948	13,800	1
Boe/d (6:1)	6,355	5,567	14
Established Reserves (mboe)	18,524	18,680	(1)
Finding, Development and Acquisition Costs			
Per boe	$ 5.93	$ 8.03	(26)
Three Year Average	$ 6.61	$ 6.96	(5)

DISTRIBUTIONS BY MONTH

Payment Dates	Taxable Amount	Tax Deferred Amount (Return of capital)	Total Distribution
First Payment October 22, 2001	$ –	$ .08	$ .08
November 20, 2001	$ –	$ .08	$ .08
December 20, 2001	$ –	$ .05	$ .05
	$ –	$ .21	$ .21

Acclaim's distributions rank as the least taxable of all Canadian oil and gas trusts.

Message to Unitholders

Acclaim's direction is provided by (left to right):

Jack C. Lee
President and Chief Executive Officer

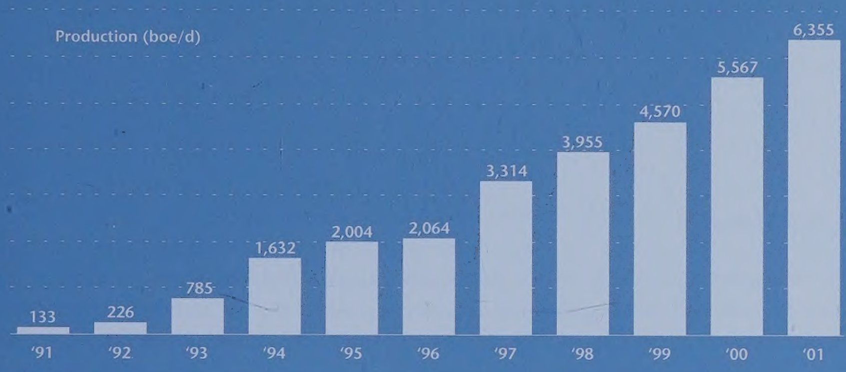
Robert G. Brawn
Chairman of the Board

Barry P. Dorin
Executive Vice President and Chief Operating Officer

Acclaim Energy Trust has a long record of profitability and the year 2001 proved to be no exception. Despite volatile oil and gas prices and despite not having made a significant acquisition, Acclaim's production increased an average of 14% to a record 6,355 boe/d and earnings increased 39% to $15.9 million, or $0.64/unit.

Originally launched in 1985 as a private oil and gas production company, Acclaim is now a new income trust resulting from the business combination of Danoil Energy Ltd., an oil and gas development and production company, and Western Facilities Fund (WFF). On April 20, 2001, the transaction was approved unanimously by Danoil shareholders and by an overwhelming majority of the unitholders of WFF. The units commenced trading on the Toronto Stock Exchange as Acclaim under the symbol AE.UN on April 26, 2001.

Based on current production volumes, this business combination placed Acclaim in the enviable position of being able to distribute 100% of its forecasted 2002 cash flow on a tax-deferred basis. This ranks Acclaim's distributions as the least taxable of all Canadian oil and gas trusts.



Model of Consistent Growth

2001 HIGHLIGHTS

- Earnings increased 39% to $15.9 million, up 33% on a per unit basis to $0.64/unit
- Cash flow increased 1% to $32.6 million, down 4% on a per unit basis to $1.31/unit
- Oil production increased 23% to average 4,030 b/d
- Natural gas production increased 1% to average 13.9 mmcf/d
- Total production therefore increased 14% to average 6,355 boe/d
- Total debt was reduced by 19% to $31.3 million
- Unitholder equity increased by 60% to $59.1 million
- Initiated distributions to Unitholders in October 2001

GROWTH

Acclaim's history has been a model of consistent growth. During the past ten years, production has increased each year rising from 133 boe/d in 1991 with steady progression to an average of 6,355 boe/d in 2001. During this same period, the Company was profitable in every year except 1998, a year of record low prices. Acclaim's return on equity during this same period averaged 12%. In May 1997, Acclaim acquired a private company and installed the core of a new management team. Since then, Acclaim has completed four additional corporate and approximately 10 property acquisitions and initiated a 232 well exploitation program with a success rate exceeding 93%. This activity resulted in reserves increasing from 10.3 million boe to 18.5 million boe, net of 9.5 million boe that were produced during the period. In the past two years, return on equity has been at an exceptional level and has averaged 29%.

DISTRIBUTIONS

As a conservative measure, it was deemed prudent to complete Acclaim's 2001 capital expenditure program prior to commencing distributions. The first distribution of $0.08/unit was received by Unitholders on October 20, 2001 and was followed by two further payments of $0.08/unit and $0.05/unit, totaling $0.21/unit for the year 2001. One hundred per cent of the distributions in 2001 were tax-deferred and considered a return of capital. At current production levels and prices, Acclaim estimates that 100% of its 2002 distributions will also be a return of capital and therefore tax deferred.

MANAGEMENT

The management team at Acclaim is made up entirely of senior oil and gas personnel who have spent their working lives acquiring the necessary experience and the technical expertise to attain an industry-wide recognition of their successful track records. This group has not only nurtured and facilitated the growth and transformation from an oil and gas exploration/production company into a Trust, but together with family and directors, continue to own more than 30% of the outstanding units. The management team at Acclaim has its interests directly aligned with all other Unitholders.

The financial results reported during the year and the subsequent distributions are reflective of an extremely volatile year. It would be difficult to find a period that characterized the cyclical nature of the oil and gas business more dramatically than the past few years. The management team at Acclaim has recognized for some time, that to be successful in the oil and gas business, it is imperative to not only be aware of these cycles but also be prepared and able to anticipate and manage our business through this type of volatility. We are proud to say that in 2001, Acclaim may have been the only oil and gas trust not to have completed a major transaction in what experience told us was a price environment that was unsustainable. It is experience and adherence to discipline that have been key factors to our historical success.

STRATEGY

We remain steadfast in maintaining our goal of creating value for Unitholders.

We will not make acquisitions unless they meet our strict criteria for creating value and return on investment for our Unitholders. More specifically, other aspects of our strategy include: increasing our inventory of gas and light oil, increasing our reserve life index, improving our corporate netbacks and making acquisitions that are accretive to cash flow and reserves per unit while maintaining the same relative leverage after completion of the transaction.

We do seek creative and innovative ways to provide growth and add value to the Trust. One such transaction that has come to fruition was the formation of the joint ventures announced on November 13, 2001. Acclaim announced that it had signed joint venture agreements with three private companies. The joint venture agreements provide, amongst other things, that Acclaim will operate and participate as to a 25% interest in the drilling and/or recompletion of a minimum of 15 exploration and development wells. The program also included one 2D and one 3D seismic program and the potential to drill a number of option wells. Estimated total costs of the program exceed $11 million with net costs to the joint venture estimated at $8.25 million. This access to joint venture capital has enabled Acclaim to reduce its overall level of capital expenditures for the year, complete its entire 2001 exploration and development program and potentially unlock significant value residing in its undeveloped land base.

We recognize that cost of capital is a key competitive advantage offered to the trust sector over the exploration and development sector. We also recognize that the largest trusts enjoy the lowest cost of capital. We are determined to create a larger trust.

OUTLOOK

In 2001, the consolidation taking place in the oil and gas industry continued at a torrid pace. This consolidation is expected to result in a further round of property rationalizations by the new owners, seeking to retain assets that are strategic or synergistic with their existing properties. This next round of property sales should lead to significant new acquisition opportunities at the right time in this particular commodity price cycle. Acclaim expects to purchase oil and gas properties in 2002.

On February 20, 2002 Acclaim completed the first public financing undertaken by the Trust. The Trust issued 4,375,000 units at a price of $3.45/unit for total proceeds of $15,093,750. The issue was completed on "a bought deal basis" and was led by CIBC World Markets with participation from National Bank Financial. The estimated net proceeds of $14.2 million will be used initially to reduce outstanding debt and to finance Acclaim's ongoing development and acquisition programs. After the issue, total debt outstanding is estimated to be $16 million, (less than the 2002 forecasted cash flow). In our view, Acclaim has positioned itself as perhaps the most conservatively financed of all trusts in the sector and now maintains a competitive advantage in its quest to complete a significant transaction in 2002.

IN CLOSING

During the year, Duane Domier, Vice President Production, and Raymond Pether, one of the Board members, retired and we thank them for their active participation and valued contribution to Acclaim. We would also like to take this opportunity to offer our sincere appreciation to all employees, officers, directors and our Unitholders for their continued support in making Acclaim successful in its first year of operations. We are confident that with the dedicated team we have in place, your new energy trust will continue to be a model for value and growth.

Robert G. Brawn
Chairman of the Board
April 2, 2002

Jack C. Lee
President and Chief Executive Officer

Operations

The six areas highlighted on the map represent approximately 80% of Acclaim's daily production and reserves. Acclaim operates 97% of its production and holds working interests greater than 90% in these properties. Generally speaking, the gas reserves and production account for approximately 30% and are located predominantly in Alberta, the oil properties, 70% of production and reserves, are located in Saskatchewan. All of the properties have year round access.

Drilling statistics

	1997		1998		1999		2000		2001	
	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Oil	83	69.5	1	0.7	13	13.0	31	27.3	46	40.9
Gas	6	5.6	7	3.4	9	7.5	11	8.7	5	4.0
Abandoned	3	1.2	5	2.3	4	3.8	5	4.8	3	1.2
Total	**92**	**76.3**	**13**	**6.4**	**26**	**24.3**	**47**	**40.8**	**54**	**46.1**

One of the key aspects to Acclaim's overall success has been its adherence to maintaining a large inventory of low risk development drilling opportunities. In the past five years, Acclaim has participated in a total of 232 gross wells (194 net) completing 174 as oil wells, 38 as gas wells and abandoned 20. Over the last five years, on a net basis, the success rate exceeds 93%.

Acclaim has an average 90% working interest in its oil and gas properties and operates 97% of its production.

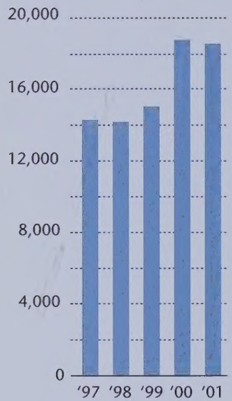
Drilling activity in 2001 proved to be no exception. Acclaim participated in a total of 54 gross wells (46.1 net) completing 46 as oil wells, five as gas wells and abandoning three. On a net basis, the success rate was 97%. As a new trust, Acclaim will continue to make exploitation and development drilling a significant part of its overall strategy.

Through the acquisition of companies or property packages, Acclaim will acquire properties that are exploration-oriented in nature. In order to process and evaluate these prospects, Acclaim has decided to enter into joint venture arrangements. The three joint ventures concluded in 2001 provide a number of distinct positive attributes to Acclaim Unitholders. The joint ventures are essentially large-scale farmouts that include a broad range of prospects from development to high risk, high impact gas prospects. The single most significant prospect is at Brazeau. The joint ventures will participate in a 3,900-meter (12,800 foot) Nisku test. The prospect is controlled by 3D seismic and is situated between known Nisku pools, one that is two miles north that has produced 12.5 bcf and one pool situated two miles to the south, that has produced in excess of 68 bcf from two wells and is still producing approximately 6.0 mmcf/d. An industry partner has taken a farmout from Acclaim on 50% of its interest and will operate the well. The remaining 50% has been allocated to the joint venture. Acclaim's interests in the well after earning would be 31.25% plus a royalty on 50% of production before payout and 56.25% after payout.

Finding and Development Costs

Finding and development costs for 2001 were $5.93 per boe of proven plus half probable reserves, excellent by industry standards.

	2001	2000	1999	3 Year
Net Capital Expenditures (000's)	**$ 12,840**	$ 45,964	$ 10,052	$ 68,856
Net Reserve Additions (mboe)				
Proven	**1,984**	5,881	2,351	10,216
Proven plus 50% Probable	**2,165**	5,723	2,525	10,413
Finding and Development Costs ($/boe)				
Proven	**$ 6.47**	$ 7.82	$ 4.28	$ 6.74
Proven plus 50% Probable	**$ 5.93**	$ 8.03	$ 3.98	$ 6.61



Established Reserves (mboe)

Reserves

When comparing established reserves on a barrel of oil equivalent basis, with gas converted at a ratio of 6:1, Acclaim replaced 99% of its production in 2001.

Reserve Volumes as at December 31 (1) (2) (3)

	2001	2000
Oil and NGLs (mbbls)		
Proven Producing	**7,980**	8,531
Proven Non-Producing	**4,216**	4,119
Total Proven	**12,196**	12,650
Probable	**1,687**	1,652
Total Proven plus Probable	**13,883**	14,302
Established(3)	**13,039**	13,476
Natural Gas (mmcf)		
Proven Producing	**25,035**	24,512
Proven Non-Producing	**6,097**	5,908
Total Proven	**31,132**	30,420
Probable	**3,555**	1,602
Total Proven plus Probable	**34,687**	32,022
Established(3)	**32,910**	31,221
Barrels of Oil Equivalent (mboe)		
Proven Producing	**12,152**	12,616
Proven Non-Producing	**5,232**	5,104
Total Proven	**17,384**	17,720
Probable	**2,280**	1,919
Total Proven plus Probable	**19,664**	19,639
Established(3)	**18,524**	18,680

(1) Working interest reserves before the deduction of royalties

(2) The Trust's major petroleum and natural gas reserves representing 91 percent (97 percent in 2000) were evaluated by Sproule Associates Limited and the balance by Acclaim management.

(3) Established equals proven plus 50% probable.

Reserves Reconciliation

In a year in which the Trust did not complete a significant property acquisition, it was able to substantially maintain reserves.

	Oil and NGLs (mbbls)		Natural Gas (mmcf)		Barrels of Oil Equivalent (mboe)		
	Proven	Risked Probable	Proven	Risked Probable	Proven	Risked Probable	Established
Reserves at December 31, 2000	12,650	826	30,420	801	17,720	960	18,680
Acquisitions	262	–	45	–	269	–	269
Dispositions	(307)	(94)	(565)	(225)	(401)	(131)	(532)
Additions/Revisions	1,061	112	6,324	1,201	2,117	312	2,429
Production	(1,471)	–	(5,091)	–	(2,320)	–	(2,320)
Reserves at December 31, 2001	12,195	844	31,132	1,778	17,384	1,140	18,524

Present Value of Estimated Future Net Revenue Before Tax

(As at December 31, 2001)

	Discounted at		
(000s)	10%	12%	15%
Proven Producing	$ 94,458	$ 88,622	$ 81,262
Proven Non-Producing	28,325	25,099	21,105
Total Proven	122,783	113,721	102,367
Probable	14,996	13,280	11,222
Total Proven plus Probable	137,779	127,001	113,589
Established	$ 130,281	$ 120,361	$ 107,978

Price Forecast

The estimate of future net revenues is based on the following March 1, 2002 price forecast prepared by Sproule Associates Limited.

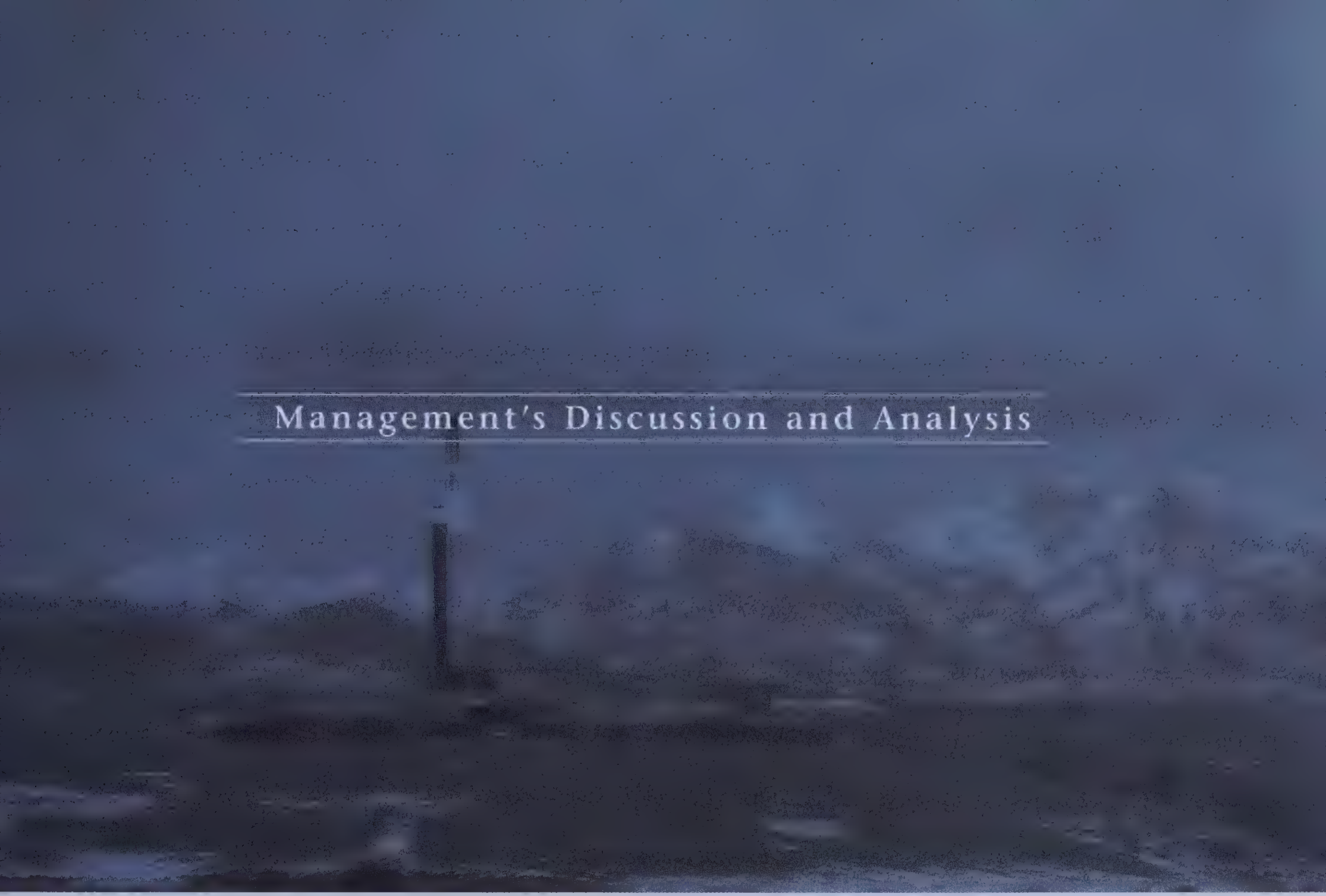
	Crude Oil WTI @ Cushing $US/bbl	Edmonton Par Price $Cdn/bbl	Natural Gas Alberta 30 Day Spot Plant gate $Cdn/mmbtu
2002	20.61	31.54	3.13
2003	20.79	31.66	3.90
2004	21.12	32.17	4.17
2005	21.44	32.65	4.25
2006	21.76	33.14	4.33

The preceding prices are benchmark prices. The Trust's future net revenues are adjusted according to the quality of oil and gas reserves and the terms of any sales contracts in place for individual properties. Sproule Associates Limited includes provision for escalation of prices beyond 2006 at an average of approximately 1.5 percent per annum for oil and 1.8 percent for natural gas.

Net Asset Value

The Trust's net asset value is largely dependent on future oil and gas prices and is based on production of existing reserves. It does not consider income taxes or assume any reinvestment of discretionary cash flow. At December 31, 2001 the net asset value, utilizing a 10 percent discount rate, was $4.06 per unit. The decrease in net asset value from 2000 was primarily the result of using lower oil and gas price forecasts for year end 2001. These calculations are provided in the table that follows:

(000$ except per unit numbers)	**2001**		2000	
Discount Factor	**10%**	**12%**	10%	12%
Reserves				
Proven	**$ 122,783**	**$ 113,721**	$ 164,191	$ 155,678
Probable, Risked at 50%	**7,498**	**6,640**	6,391	5,754
Undeveloped Land	**12,682**	**12,682**	13,639	13,639
Minority Interest in Vintage	**–**	**–**	(1,884)	(1,802)
Working Capital	**(8,588)**	**(8,588)**	(11,261)	(11,261)
Long-term Debt	**(22,702)**	**(22,702)**	(27,484)	(27,484)
Options/Warrants Proceeds	**1,717**	**1,717**	7,308	7,308
Net Asset Value	**$ 113,390**	**$ 103,470**	$ 150,900	$ 141,832
Units/Shares Diluted	**27,960,476**	**27,960,476**	26,052,383	26,052,383
Net Asset Value per Unit/Share	**$ 4.06**	**$ 3.70**	$ 5.79	$ 5.44



Management's Discussion and Analysis

Management's discussion and analysis of Acclaim's financial position and the results of its operations in 2001, should be read in conjunction with the audited financial statements as presented in this annual report.

OVERVIEW OF 2001

The year 2001 saw our reorganization into an income trust, increased oil production, maintenance of reserves after production and considerable strengthening of Acclaim's ability to make distributions on a return of capital basis.

Production volumes increased 14 percent to 6,355 boe/d from 5,567 boe/d the prior year. Total production volumes increased to 2,320 mboe from 2,037; with oil volumes increasing 23% to 4,030 b/d from 3,262 b/d and gas volumes increasing 1% to 13.9 mmcf/d from 13.8 mmcf/d in 2000. These increases were primarily as a result of the acquisition of Basinview Energy Inc. in December 2000, heavy oil drilling in late 2000 and the 35 well summer 2001 light oil drilling program at Dodsland.

Production Volumes	2001	2000
Oil & liquids - bbls	**1,471,000**	1,194,000
Natural gas - mcf	**5,091,000**	5,062,000
Total Volumes - boe	**2,320,000**	2,037,000

FINANCIAL RESULTS

The following table and commentary review the operating results for the two years ended December 31, 2001 and 2000. Barrel of oil equivalent (boe) is calculated using a 6:1 conversion ratio for natural gas.

	Year ended December 31, 2001		Year ended December 31, 2000	
	000's	Per boe	000's	Per boe
Oil & Gas Revenue				
Oil and liquids	$ 34,251	$ 23.28	$ 37,695	$ 31.58
Natural gas	28,986	34.14	26,532	31.44
Hedge gain (cost)	3,141	1.35	(3,474)	(1.70)
Other	185	0.08	188	0.09
	66,563	28.69	60,941	29.91
Royalties, net of ARTC	12,377	5.34	10,871	5.34
Operating costs	15,588	6.72	12,681	6.22
Net Production Revenue	38,598	16.64	37,389	18.35
General and administrative	3,218	1.38	3,072	1.51
Management fee	572	0.25	–	–
Interest	2,042	0.88	1,678	0.82
Capital taxes	145	0.06	379	0.19
Funds from Operations	$ 32,621	$ 14.07	$ 32,260	$ 15.83

Oil and gas revenue increased 9 percent to $66.6 million from $60.9 million the prior year. This increase is accounted for 75% by increases in volumes sold and 25% by overall decreases in pricing per unit. Oil prices received are down 26% over average 2000 prices and gas prices are up 9% in 2001. Hedges in place (predominantly on gas) in the current year earned the trust $3.1 million or $1.35 per boe versus a cost of $3.5 million (predominately on oil) or $1.70 per boe in 2000.

Royalties, net of ARTC, increased 14 percent from $10.9 million to $12.4 million in 2001. This increase was consistent with the increase in revenues and also reflects a higher royalty structure for gas production. As a percentage of oil and gas revenue, net royalties increased from 16.9 percent to 19.6 percent in 2001. Acclaim estimates ARTC payments to be $500,000 in the current year (2000 - $515,000).

Operating expenses increased by 23 percent in 2001 to $15.6 million from $12.7 million the prior year. This increase is mainly due to increased production volumes. On a unit of production basis, operating costs increased 8 percent to $6.72 per boe from $6.22 per boe in 2000, primarily due to several unscheduled plant and battery turnarounds and higher utility costs.

General and administrative expenses and management fees totaled $3.8 million in 2001 (2000 - $3.1 million). On a unit of production basis, administrative expenses increased to $1.63 per boe (2000 - $1.51 per boe). Acclaim does not capitalize any general and administrative expenses.

Management fees are payable for senior level management, advisory, strategic planning and policy making services. The fees are equal to 2.5% of net production revenue (being $561 thousand) plus 1.5% of the purchase price of assets (being $11 thousand) and 1% of the purchase price of assets sold (none).

Interest costs on long term debt and debentures increased to $2.0 million ($0.88 per boe) from $1.7 million ($0.82 per boe) the prior year. This is the result of increased debt outstanding during 2001.

Depletion and amortization increased to $16.7 million from $11.9 million; $7.19 per boe from $5.82 per boe.

No ceiling test write down was required in 2001 or 2000.

Abandonment costs incurred in the year of $397,000 ($562,000 in 2000) were deducted from the reserve.

Current income taxes of $146,000 are related to the Large Corporation Capital Tax ($350,000 in 2000 which also includes Saskatchewan Resource Surcharge). The tax pool balances as per tax returns, are summarized in the following table:

(000's)	Deduction	2001	2000
Non-capital Losses	100%	$ 58,409	$ 5,433
Canadian Exploration Expense	100%	–	1,048
Canadian Development Expense	30%	21,662	9,830
Canadian Oil & Gas Property Expense	10%	18,814	19,744
Undepreciated Capital Cost	Various rates	12,723	13,756
Other	Various rates	1,655	245
Total Tax Pools		$ 113,263	$ 50,056

Cash flow from operations increased to $32.6 million versus $32.3 million the prior year. Diluted per unit values decreased to $1.31 from $1.36 in 2000 due to the increased number of units issued and outstanding in 2001.

Net earnings for 2001 were $15.9 million or $0.64 per unit-diluted compared to earnings of $11.5 million or $0.48 per share the prior year. Earnings increased by 39% due to tax pools recorded in the amalgamation with WFF and the related lower tax expense.

CAPITAL EXPENDITURES

(000's)	2001	2000
Drilling & Completions	$ 10,321	$ 13,012
Production Facilities	3,737	6,085
Land	1,832	2,601
Seismic	501	1,408
Total Exploration & Development	16,391	23,106
Acquisitions	1,089	23,591
Dispositions	(4,722)	(780)
Office Equipment	82	47
Total	$ 12,840	$ 45,964

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2001, Acclaim had a debt and working capital deficiency of $31.3 million versus $38.7 million in 2000. During the year, the working capital deficit decreased by $2.7 million while long term debt decreased by $4.7 million. The unused portion of Acclaim's banking facilities at December 31, 2001 amounted to $26 million.

Acclaim's capital budget for 2002 is approximately $7 million, comprised mainly of development expenditures associated with the drilling of proven undeveloped locations identified in the Sproule Report. This does not include any estimate for acquisitions.

Crude oil and natural gas prices and exchange rates may change significantly due to factors not controllable by Acclaim. The table below provides a summary of estimated sensitivities to price and exchange rate fluctuations for 2002 based on production levels and costs at January 1, 2002.

(Cdn$)	Net Income (000's)	Cash Flow from Operations (000's)
Increase in crude oil price by $1.00 per bbl	$ 590	$ 1,073
Increase in natural gas price by $0.10 per mcf	$ 180	$ 327
Increase in value of Canadian dollar compared to U.S. dollar by $0.01	$ 124	$ 225

All of Acclaim's expenditures are subject to the effects of inflation and prices received for the product sold are not readily adjustable to cover any increase in expenses resulting from inflation. Acclaim has no control over government intervention or taxation levels in the oil and gas industry.

The provision for abandonment and site restoration costs relating to Acclaim's properties was $4.3 million as at December 31, 2001 ($3.5 million as at December 31, 2000). In accordance with the accounting policy adopted by Acclaim, the annual provision for abandonment and site restoration is based on a unit of production allocation method.

Acclaim maintains an insurance program consistent with industry practice to protect against losses due to accidental destruction of assets, well blowouts, pollution and other business interruptions. Acclaim believes it is in substantial compliance, in all material respects, with current environmental legislation and regularly works with governmental environmental agencies to maintain this level of compliance.

SHARE TRADING HISTORY

In 2001, 8.4 million Units/Shares traded on the TSE between a low of \$3.11 and a high of \$4.65, closing the year at \$3.30. During the year 34,800 shares were retired under a normal course issuer bid.

During the year 2000, 6.6 million Common Shares traded on the TSE and CDNX between a low of \$1.60 and a high of \$4.30. The Danoil Common Shares closed at \$3.40 on December 31, 2000. During the year 2000, under a normal course issuer bid, 1.2 million Common Shares for \$3.1 million were bought and retired at an average price of \$2.62 per share.

BUSINESS RISKS

Companies involved in the production and exploitation of oil and natural gas face a number of risks and uncertainties inherent in the industry. Acclaim's performance is influenced by a number of factors including commodity pricing, inflation, transportation and marketing constraints, and government regulation and taxation. Government intervention, taxation and the rules applicable to the ratification of The Kyoto Accord might affect risk.

Global supply and demand conditions as well as world wide political events influence oil prices. The price Acclaim receives for its oil is further adjusted by gravity and other quality factors of oil, and the transport of oil to market through pipelines. The impact of the pricing differential between light and heavy oil on Acclaim's average wellhead price is significant in that approximately 50% of Acclaim's production involves heavy oil (14º API). As the price of oil in Canada is based on a US benchmark price, variations in the Canada/US exchange rate further affects Acclaim's oil prices.

Natural gas prices are influenced by the North American supply and demand balance. Seasonal changes in demand, which are largely influenced by weather patterns, also affect the price of natural gas. Acclaim utilizes a combination of aggregators as well as spot markets in its natural gas pricing strategy. Currently, approximately 80% of the Trust's gas sales are into the Alberta spot market.

In 2001, Acclaim established a risk management committee to implement a program within the guidelines set by the Board of Directors. The current price hedging strategies include: fixed price contracts, costless collars, the purchase of floor price options and other derivative financial instruments. The main goal of the risk management program is to provide a level of stability and predictability in monthly distributions to Trust Unitholders. Acclaim's current hedge commitments to March 11, 2002, are summarized in note 10 to the financial statements.

Management's Report

Acclaim Energy Inc., as manager of Acclaim Energy Trust , is responsible for preparing the accompanying consolidated financial statements that have been prepared in accordance with generally accepted accounting principles.

Acclaim's accounting procedures and related systems of internal control are designed to provide reasonable assurance that its assets are safeguarded and its financial records are reliable. Management is satisfied that these financial statements have been prepared accordingly and within reasonable limits of materiality. Further, management is satisfied that the financial information throughout the balance of this annual report is consistent with the information presented in the financial statements.

Independent auditors have been appointed by the Trustee. They have examined the financial statements of the Trust and the predecessor company for the years ended December 31, 2001 and 2000; the auditor's opinion is expressed herewith.

The Audit Committee has reviewed these statements with management and the auditors, and has reported to the Board of Directors. The Board has approved the financial statements of Acclaim Energy Trust which are contained in this annual report.

Calgary, Alberta
March 8, 2002

Don S. Milne BComm, CMA
Controller

Auditors' Report

We have audited the consolidated balance sheets of Acclaim Energy Trust (formerly Danoil Energy Ltd.) as at December 31, 2001 and 2000, the consolidated statements of income and retained earnings, and of cash flow for the years then ended . These consolidated financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2001 and 2000 and the results of its operations and the its cash flow for the years then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Calgary, Alberta
March 8, 2002

Deloitte & Touche LLP
Chartered Accountants

Acclaim Energy Trust

Consolidated Balance Sheets

As at December 31 (000's)	2001	2000
ASSETS		(Note 1)
Current assets		
Cash	$ 4	$ 161
Investments (market value is $ 235 ($254 - 2000))	227	245
Accounts receivable	10,507	12,633
Prepaid expenses	1,029	729
	11,767	13,768
Future tax asset - Notes 1 and 6	9,950	–
Property and equipment - Note 3	170,152	158,097
Accumulated depletion and amortization	(70,922)	(55,714)
	99,230	102,383
	$ 120,947	$ 116,151
LIABILITIES		
Current liabilities		
Accounts payable	$ 10,643	$ 25,029
Distributions payable - Note 12	1,360	–
Current portion - Debenture - Note 1	8,352	–
	20,355	25,029
Long term debt - Note 4	19,290	27,484
Debenture payable - Note 5	3,412	–
Future income taxes - Note 6	–	21,181
Deferred credit - Notes 1 and 6	13,483	–
Site restoration accrual	5,343	4,259
Minority interest - Note 9	–	1,237
	61,883	79,190
UNITHOLDERS' EQUITY		
Capital - Note 7	35,257	21,641
Retained earnings	30,860	15,320
Accumulated unitholders' distributions - Note 12	(7,053)	–
	59,064	36,961
	$ 120,947	$ 116,151

On behalf of the Board:

Robert G. Brawn
Chairman of the Board

Jack C. Lee
President, CEO & Director

Consolidated Statements of Income and Retained Earnings

For the Years Ended December 31 (000's)	2001	2000
INCOME		(Note 1)
Oil and natural gas revenue	$ 66,378	$ 60,753
Royalties	(12,377)	(10,871)
Other income	185	188
	54,186	50,070
EXPENSES		
Production	15,588	12,681
General and administrative	3,218	3,072
Management fee - Note 8	572	–
Interest	2,042	1,678
Depletion and amortization - Note 3	16,689	11,861
	38,109	29,292
Net income before income taxes and minority interest	16,077	20,778
Income taxes - Note 6		
Current	145	379
Amortization of deferred credit	(6,662)	–
Future tax provision	6,555	8,802
	38	9,181
Minority interest	96	136
NET INCOME FOR THE YEAR	15,943	11,461
Retained earnings, beginning of year	15,320	5,763
Premium paid on buy back of common shares - Note 7	(124)	(1,966)
Adoption of new accounting policy	–	62
Buyout of options/warrants	(279)	–
RETAINED EARNINGS, END OF YEAR	$ 30,860	$ 15,320
NET INCOME PER UNIT - Note 11		
Basic	$ 0.65	$ 0.51
Diluted	$ 0.64	$ 0.48

Consolidated Statements of Cash Flow

For the Years Ended December 31 (000's)	2001	2000
CASH PROVIDED BY (USED IN)		(Note 1)
OPERATIONS		
Net income	$ 15,943	$ 11,461
Items not involving cash:		
Depletion and amortization	16,689	11,861
Minority interest	96	136
Amortization of deferred credit	(6,662)	–
Future income taxes	6,555	8,802
Funds from operations	32,621	32,260
Site restoration expenditures	(397)	(562)
Increase (decrease) in non-cash working capital	(12,406)	8,526
	19,818	40,224
INVESTING		
Additions to property and equipment	(17,563)	(25,138)
Disposals of property and equipment	4,723	780
Cash acquired on purchase of Trust - Note 1	15,392	–
Costs related to Trust acquisition - Note 1	(1,206)	–
Purchase of corporate assets	–	(16,122)
Purchase of minority interest in Vintage Resource Corp.- Note 9	(548)	–
	798	(40,480)
FINANCING		
Increase (decrease) in long-term debt	(8,194)	2,600
Decrease in debentures payable (Note 1)	(11,764)	–
Issue of capital	5,316	891
Normal course issuer bid	(158)	(3,087)
Buyout of warrants/options	(280)	–
	(15,080)	404
DISTRIBUTIONS TO UNITHOLDERS - Note 12	(5,693)	–
INCREASE (DECREASE) IN CASH POSITION	(157)	148
Cash position, beginning of year	161	13
CASH POSITION, END OF YEAR	$ 4	$ 161
SUPPLEMENTARY INFORMATION - CASH PAYMENTS		
Interest	$ 1,900	$ 1,718
Income taxes	$ 145	$ 379
FUNDS FROM OPERATIONS, PER UNIT - Note 11		
Basic	$ 1.33	$ 1.43
Diluted	$ 1.31	$ 1.36

Notes to the Consolidated Financial Statements

(For the years ended December 31, 2001 and 2000)
(Tabular amounts are in thousands)

NOTE 1 - AMALGAMATION OF NEVIS LTD. / WESTERN FACILITIES FUND WITH DANOIL ENERGY LTD.

The figures provided for the year ended December 31, 2000 and for the period ended April 20, 2001 are those of Danoil Energy Ltd.

On April 20, 2001 Danoil Energy Ltd. amalgamated with Nevis Ltd. ("Nevis") with the resulting company being named Acclaim Energy Inc.. Acclaim Energy Inc. is owned by Acclaim Energy Trust, (the "Trust") previously Western Facilities Fund ("WFF"), with Danoil shareholders now being unitholders of the trust.

The amalgamation entitled the WFF unitholders holding 29.2 million units to a debenture valued at $0.807per unit (resulting in a debenture in the amount of $23.5 million) and voting rights to 29.2 million votes or 58% of the votes of unitholders.

In addition, each WFF unitholder received one unit in the amalgamated entity for each 14 existing WFF units (resulting in 2.1 million units being issued).

Danoil shareholders received one unit for each Danoil common share (resulting in 22.8 million units being issued).

Subsequent to the amalgamation there were 25.1 million Acclaim Energy Trust units outstanding. - Note 7

The net assets of Danoil were recorded in the combination at their carrying value. The transaction was accounted for under the purchase method of accounting.

Fair Value of Net Assets of WFF are as follows:		
Working capital (net of cash acquired)	$	136
Future tax asset		37,686
Deferred credit - Note 6		(20,146)
	$	17,676
Aggregate Consideration for the Net Assets of WFF are as follows:		
Debenture	$	23,527
Units issued		8,335
Transaction costs		1,206
		33,068
Less cash acquired from WFF		(15,392)
	$	17,676

As required under Generally Accepted Accounting Principles, the future tax asset of $37.686 million was computed using the current tax rate applied to the tax pools of Nevis/WFF. This results in booking assets in excess of the aggregate consideration paid, which is then offset by the deferred credit of $20.146 million. The deferred credit is amortized to tax expense as the related tax pools are utilized - Note 6.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The Trust which is incorporated under the laws of Alberta, is principally involved in the exploration, development, gathering and production of oil and natural gas in Canada.

a) **Basis of Consolidation**
The financial statements include the accounts of the Trust and it's subsidiaries. All inter-entity transactions have been eliminated.

b) **Oil and Natural Gas Operations**
The Trust follows the full cost method of accounting for oil and gas operations, whereby all costs associated with the exploration for, and development of, oil and natural gas reserves are capitalized by cost centre. Such costs include land, acquisition expenditures, drilling, geological and geophysical expenses, carrying charges of nonproductive properties, costs of drilling wells, gathering and production facilities, and financing and administrative costs directly related to capital projects. Proceeds from the sale of any interests in oil and natural gas properties are applied against capitalized costs, with no gain or loss recognized, unless such a disposition would alter the rate of depletion by at least 20%.

Depletion of oil and gas properties is calculated using the unit-of-production method based on estimated net proven reserves, as determined by the Trust and reviewed yearly by independent consulting engineers, converted to a common unit of measure using a relative energy content.

The Trust applies a ceiling test to ensure that capitalized costs (net of accumulated depletion) do not exceed the estimated future net revenues from production of proven reserves, at year end prices and costs, less estimated future administrative, site restoration, financing and income tax costs.

Depreciation for non-resource equipment is provided for using the declining balance method at rates between 20% and 30%.

(c) Site Restoration Accrual
Estimated future removal and site restoration costs are provided for on the unit-of-production method. Costs are based on estimates in accordance with current legislation and industry practices. The annual charge is included in the provision for depletion, depreciation and amortization. Removal and site restoration expenditures are charged to the accumulated provision account as incurred.

(d) Joint Venture Accounting
A portion of the company's oil and natural gas operations are conducted jointly with others, and accordingly these financial statements reflect only the Trust's proportionate interest in such activities.

(e) Financial Instruments
The Trust has entered into various contracts to reduce its exposure to price declines and currency rate fluctuations on a portion of its oil and gas production. Gains or losses related to these contracts are recorded as adjustments to revenue in the period of realization. The carrying value of the financial instruments, which include cash, accounts receivable, accounts payable, debentures and long-term debt, approximate their fair value at December 31, 2001 and 2000 due to their short term nature. Long-term debt at variable interest rates is assumed to be at fair value.

(f) Earnings and Funds from Operations per Unit
Basic earnings per unit and basic funds from operations per unit are computed by dividing earnings and funds from operations by the weighted average number of units outstanding during the year. Diluted per unit amounts reflect the potential dilution that could occur if options or warrants to purchase units were exercised. The treasury stock method is used to determine the dilutive effect of unit options and warrants, in accordance with new standards approved by the Canadian Institute of Chartered Accountants.

(g) Temporary Investments
Temporary investments are carried at the lower of cost and net realizable value.

(h) Future Income Taxes
Income taxes are accounted for under the liability method of tax allocation, which determines future income taxes based on the differences between assets and liabilities reported for financial accounting purposes and those reported for tax purposes. Future income taxes are calculated using tax rates that are anticipated to apply in periods where temporary differences are expected to reverse.

Note 3 - Property and Equipment

	2001	2000
Oil and gas property and equipment	$ 164,855	$ 152,561
Undeveloped property not subject to depletion	4,229	4,549
Less accumulated depletion	(70,183)	(55,056)
	98,901	102,054
Capital assets	1,068	987
Less accumulated amortization	(739)	(658)
	329	329
	$ 99,230	$ 102,383

Note 4 - Long Term Debt

		2001		2000
	$	19,290	$	27,484

The Trust has a revolving term loan in the amount of $45 million. This loan has no fixed terms of repayment, bears interest at the bank prime rate or at banker's acceptance rates plus .75%, and is of a demand nature. This loan is subject to an annual review by the lender. The loan is secured by fixed and floating charge debentures in the amount of $75 million and a general security agreement over all present and future assets.

The fair value of the loans are equal to their carrying value due to the floating interest rate nature and revolving nature of the facilities. The companies are exposed to interest expense fluctuations since the loan facilities are at a variable rate.

Note 5 - Debenture

		2001		2000
Debenture	$	11,764	$	–
Less current portion		(8,352)		–
	$	3,412	$	–

This debenture bears interest at 6% per annum and is repayable; $5.881 million on March 31, 2002 and $823 thousand for the next six quarters with the final amount of $945 thousand on December 31, 2003.

Note 6 - Income Taxes

The components of future income tax are as follows:

		2001		2000
Future income tax liabilities				
Property and equipment	$	(17,243)	$	(22,887)
Future income tax asset				
Loss carry forward - Nevis/WFF amalgamation - Note 1		24,894		–
Site restoration		1,708		1,443
Other		591		263
Net future tax asset (liability)	$	9,950	$	(21,181)

The provision for income taxes differs from the result that would be obtained by applying the combined Canadian Federal and Provincial statutory income tax rates to income before income taxes. This difference results from the following:

		2001		2000
Expected tax provision at 42.6% (44.6% - 2000)	$	6,852	$	9,270
Increase (decrease) resulting from:				
Crown royalties		3,867		3,648
Resource allowance		(4,529)		(4,166)
Amortization of deferred credit		(6,662)		–
Other		510		429
Income Taxes	$	38	$	9,181

The deferred credit recorded in the April 20, 2001 amalgamation was $20.146 million. $6.662 million has been included in income in the current year. - Note 1.

Note 7 - Capital

Authorized:
Unlimited number of units
Issued:

	# of Shares/Units		Amount
Shares at January 1, 2000	23,040	$	21,871
Shares issued on options and warrants	391		891
Redeemed under normal course issuer bid	(1,185)		(1,121)
Shares at December 31, 2000	22,246		21,641
Redeemed under normal course issuer bid	(35)		(34)
Shares Issued on options and warrants	616		1,370
Shares converted to Units on amalgamation - Note 1	22,827		22,977
Units Issued - WFF / Nevis Amalgamation - Note 1	2,084		8,335
Units Issued on options and warrants	2,243		3,945
Units at December 31, 2001	27,154	$	35,257

Warrants
1.238 million share/unit purchase warrants, exercisable at $2.50, were outstanding at the beginning of the year. During the year 1.007 million were exercised for proceeds of $2.517 million and 106 thousand warrants were bought by Acclaim and cancelled. There were 126 thousand warrants outstanding at year end. These warrants are exercisable prior to March 20, 2002.

Normal Course Issuer Bid
During the year the Trust bought back 34,800 units (prior to April 20) under a Normal Course Issuer Bid (1,185,110 in 2000). The amount paid was $158 thousand ($3.087 million in 2000) with $34 thousand ($1.121 million in 2000) deducted from share capital and the balance in the amount of $ 124 thousand ($1.966 million in 2000) deducted from retained earnings.

Unit Options
The Trust has issued unit options to directors, officers and employees under various option plans. Share options in place at April 20, 2001, the date of the amalgamation, were vested and converted to trust unit options on the same terms.

	2001			2000		
	Unit Options		**Weighted Average Exercise Price**	Unit Options		Weighted Average Exercise Price
Outstanding , beginning of year	**2,568**	**$**	**1.64**	2,269	$	1.37
Granted	**20**		**4.16**	469		2.78
Exercised	**(1,852)**		**1.51**	(129)		1.22
Cancelled	**(55)**		**1.68**	(41)		0.80
Outstanding, end of year	**681**	**$**	**2.06**	2,568	$	1.64
Exercisable, end of year	**681**	**$**	**2.06**	1,816	$	1.46

Exercise Price	# of Remaining Options	Life in Years
$0.75	20	2.3
$1.50	50	5.1
$1.54	350	3.8
$2.20	50	3.3
$3.05	191	3.6
$4.16	20	3.4
	681	

Note 8 - Related Party Transactions

Fees are payable to Acclaim Energy Management Inc. (over the term of a five year contract) for senior level management, advisory, strategic planning and policy making services. The fees are equal to 2.5% of net production revenue plus 1.5% of the purchase price of assets purchased and 1% of the purchase price of assets sold. $572 thousand has been paid for the period from April 20, 2001 to year end.

Note 9 - Purchase of Minority Interest in Vintage Resource Corp.

In June 2001 Acclaim Energy Inc. purchased the 1.808 million shares of Vintage Resource Corp. not already owned for $0.292 per share. 1.768 million shares were tendered to the offer (98%) and the balance were acquired by compulsory acquisition. The cost of these Vintage shares was $548 thousand.

Note 10 - Hedging and Risks

The nature of the Trust's operations result in exposures to fluctuations in commodity prices, exchange rates and interest rates. The Trust monitors and when appropriate uses derivative financial instruments to manage exposure to these risks. The Trust is exposed to credit related losses in the event of non-performance. The Trust monitors their credit exposure and does not anticipate non-performance by the counterparties.

The following hedge commitments were outstanding at December 31, 2001 or have been placed up to March 11, 2002;

- Oil price contract for 1000 barrels per day for April 1, 2002 to June 30, 2002 at WTI $21.30 (US).
- Oil price collar for 1000 bpd to March 31, 2002 at a floor of WTI $24 US/bbl and a ceiling of $28 US/bbl.
- Oil price collar for 500 bpd for April 1, 2002 to June 30, 2002 at a floor of WTI $20 US/bbl and a ceiling of $25.05 US/bbl.
- Oil price collar for 1000 bpd for July 1, 2002 to December 31, 2002 at a floor of WTI $20 US/bbl and a ceiling of $25 US/bbl.
- Oil price collar for 500 bpd for July 1, 2002 to December 31, 2002 at a floor of WTI $22 US/bbl and a ceiling of $27 US/bbl.
- Heavy oil price differential collar for 500 bpd for July 1, 2001 to June 30, 2002 at a floor of $6 US/bbl and a ceiling of $12 US/bbl.
- Heavy oil price differential collar for 150 bpd for January 1, 2002 to June 30, 2002 at a floor of $5.50 US/bbl and a ceiling of $11.50 US/bbl.
- Gas price collar for 3000 GJ's per day for November 1, 2001 to October 31, 2002 at a floor of $4.67/GJ and a ceiling of $10/GJ.
- Gas price collar for 1000 GJ's per day for November 1, 2001 to October 31, 2002 at a floor of $4.50/GJ and a ceiling of $6/GJ.
- Gas price collar for 3000 GJ's per day for November 1, 2001 to October 31, 2002 at a floor of $3.25/GJ and a ceiling of $4.60/GJ.

During 2001, $3.1 million was earned through hedging whereas in 2000, $3.5 million was spent on hedges.

Note 11 - Net Income and Funds from Operations per Unit

The number of units/shares used to calculate per unit amounts, determined on the weighted average basis, using the treasury stock method, are as follows:

	2001	2000
Basic	**24,438**	22,560
Diluted	**24,836**	23,791

The treasury stock method was adopted effective January 1, 2001 with restatement of the 2000 figures. Had the imputed interest method been used, the diluted net income per unit for 2001 would have been $0.62 and the diluted funds from operations per unit would have been $1.26.

Note 12 - Distributions to Unitholders

Commencing in September 2001, the Trust declared distributions to unitholders as follows:

Record Date	**Payment Date**	**$/Unit**	**Distribution (000's)**
September 30, 2001	October 22, 2001	$ 0.08	$ 2,158
October 31, 2001	November 20, 2001	0.08	2,175
November 30, 2001	December 20, 2001	0.05	1,360
Total paid in 2001		0.21	5,693
December 31, 2001	January 20, 2002	0.05	1,360
Total recorded in 2001		$ 0.26	$ 7,053

Note 13 - Subsequent Event - Unit Issue

On February 21, 2002 the Trust issued 4,375,000 units at a price of $3.45 per unit for net proceeds of $14.2 million (after deduction of Underwriters' Fees of $0.9 million).

Corporate Information

ACCLAIM GOVERNANCE

Robert G. Brawn, PEng
Chairman of the Board and Director

Jack C. Lee, BA, BComm
President, CEO and Director

Barry P. Dorin, PEng
Executive Vice President, COO

Donald S. Milne, BComm, CMA
Controller

Joseph R. Dundas, PEng
Director

Noel A. Cleland, PEng
Director

Frank W. King, PEng
Director

R. Carl Smith
Director

Donald J. Taylor, PEng
Director

Gregory C. Collver LLB
Corporate Secretary

AUDITORS

Deloitte & Touche LLP
Calgary, Alberta

LEGAL COUNSEL

Burnet, Duckworth & Palmer
Calgary, Alberta

ENGINEERS

Sproule Associates Limited
Calgary, Alberta

STOCK EXCHANGE

Toronto
Symbol "AE.UN"

TRANSFER AGENT

Computershare Trust Company
Calgary, Alberta

BANKERS

Alberta Treasury Branches

ABBREVIATIONS

ARTC	Alberta Royalty Tax Credit
bbls	barrels
boe	barrels of oil equivalent where natural gas is converted to oil on the basis of 6 mcf of gas for each barrel of oil
b/d	barrels of oil and NGLs per day
boe/d	barrels of oil equivalent per day
bcf	billion cubic feet
mboe	thousand barrels of oil equivalent
mmbtu	million British Thermal Units
mmcf	million cubic feet
mcf/d	thousand cubic feet per day
mmcf/d	million cubic feet per day
mbbls	thousand barrels
NGLs	natural gas liquids
WTI	West Texas Intermediate

HEAD OFFICE

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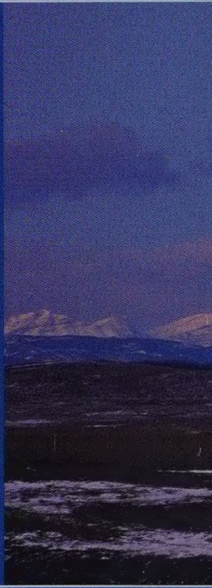
ADVISORY: Certain information regarding Acclaim including management's assessment of future plans and operations, may constitute forward-looking statements under applicable securities law and necessarily involve risks associated with oil and gas exploration, production, marketing and transportation such as loss of market, volatility of prices, currency fluctuations, imprecision of reserve estimates, environmental risks, competition from other producers and ability to access sufficient capital from internal and external sources; as a consequence, actual results may differ materially from those anticipated in the forward-looking statements.



Acclaim Energy Trust

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